

Ways of Using an OCIO Consultant in Support of Due Diligence Efforts

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EXECUTIVE SUMMARY

Oversight of the management of institutional asset pools, including foundations, endowments, retirement plans, corporate assets and reserves, is becoming increasingly complex and challenging. It is all the more important to have rock-solid fiduciary oversight in place. More institutions are looking to service providers, such as due diligence consultants, to assist in meeting these responsibilities relative to their OCIO management and monitoring.

What if you have determined to perform at least some of the due diligence tasks on your own? You could still benefit from accessing a consultant's expertise to assist with your own efforts. A highly qualified consultant with broad and deep knowledge and expertise in the OCIO marketplace can assist with your needs.

QUESTIONNAIRE SUPPORT

Although you may select to perform the due diligence primarily on your own, where to begin and how to proceed most effectively remain challenging tasks. One task a skilled consultant can be of assistance with is in the development of your questionnaire.

KEY STAKES

- Perhaps you want to proceed with a questionnaire of potential OCIO firms, but are starting from a blank page
- You may have the beginnings of a questionnaire culled from another due diligence exercise performed previously or a sample from a provider, but need to fine-tune it to your needs
- Maybe you have some expertise on your staff or committee to develop questions, but would like to complement that to be fully effective
- Perhaps you simply recognize that you know what you don't know

KEY CONSIDERATIONS

- A qualified consultant can review what you have and offer suggestions
- A consultant with extensive search experience can provide content that you may not have considered otherwise
- The consultant may have a sample RFP to share
- Leveraging a consultant's database on the firms to be solicited can provide baseline information, so that the questionnaire can focus more on the specific goals and needs of your institution, and facilitate a smoother process



FINALIST MEETING AND EFFECTIVE DECISION MAKING

Soliciting feedback from OCIO firms via a questionnaire is one thing, but conducting effective finalist meetings and producing the important decision can be quite another. This stage is critical for the staff and committee conducting the oversight to be focused on the strategic review and determining the best fit. You may benefit from utilizing a consultant for this phase.

KEY STAKES

- There is a need for education, guidance and leadership throughout the due diligence process, especially given the likely differences in knowledge and skills of your staff and committee
- Thorough due diligence takes a fair amount of time and effort
- The finalist meetings are utilizing the precious time of your staff and committee members, many of whom may be external and / or senior professionals
- Most finalist meetings take place over an hour timeframe, and this time needs to be highly efficient to facilitate the strategic assessment that leads to an effective decision

KEY CONSIDERATIONS

- The consultant can perform the heavy lifting so the staff and committee can focus on the strategic review & identifying the best fit OCIO
- The consultant can lead the finalist meetings, including the scheduling, preparing the agendas, obtaining and reviewing the presenters' materials in advance, and prepping the firms to make the best use of the short time together
- The consultant can provide the necessary follow-ups, including reference checks
- An effective consultant will be well versed in consensus decision making - leading discussions, assessments & scoring, which drive towards decision making
- A consultant provides objectivity, being able to treat all firms equally & neutrally
- A skilled consultant will also follow-up with the firms not advancing to share feedback and to maintain solid relationships with them, especially important if these firms have other relationships with your institution



CONCLUSION

Even though you may choose to proceed with your oversight efforts in part or in whole internally, you could still benefit from accessing a consultant's expertise to assist with some of your due diligence process. By leveraging a skilled consultant to assist even with some of your program, you increase the likelihood of making the process most efficient and leading to effective decision making.

At the end of the day, thoughtful process well executed leads to better, intended outcomes. Effective OCIO due diligence oversight serves the institution in meeting its fiduciary roles and being the best stewards of its valuable assets. This in turn can lead to better operations, strengthening donor relations and development opportunities, and fulfilling the important mission of the institution.



If you would like more information or guidance on OCIO due diligence services, please contact PlanPILOT at info@planpilot.com or (312) 973-4911 or visit our website <http://planpilot.com/landing/ocio/>